

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 FEA-01

ERDA-05 CEA-01 DODE-00 FPC-01 H-02 INT-05 L-03 NSC-05

PM-04 SAM-01 OES-06 SS-15 STR-04 ACDA-07 NEA-10 EA-07

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R 032212Z DEC 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 5881

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMEMBASSY PANAMA

AMEMBASSY SANTO DOMINGO

USMISSION OECD PARIS

USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 14190

E.O. 11652: GDS

TAGS: PFOR, ENRG, ETRD, ENRG, SHUM, PARM, LOS, VE

CU, DR, SP, PO, IT

SUBJECT: PRESIDENT PEREZ REVIEWS HIS TRIP IN "RANCHO-SIDE"

CHAT TO THE NATION

REF: CARACAS 14042, CARACAS 13918, CARACAS 13678 (ALL NOTAL)

1. SUMMARY: IN NATIONALLY-TELEVIZED SPEECH DEC. 2

PRESIDENT PEREZ REVIEWED OBJECTIVES AND ACHIEVEMENTS

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OF HIS TWO-WEEK SEVEN NATION TRIP NOVEMBER 15-DECEMBER 1.

PEREZ SAID HE ACHIEVED THE TWO PRINCIPAL PURPOSES OF THE TRIP. FIRST, HE HELPED PUT VENEZUELA ON THE MAP AS A MILITANT DEFENDER OF LATIN AMERICAN AND THIRD WORLD POSITIONS. SECOND, HE BROUGHT HOME SPECIFIC ECONOMIC AND COMMERCIAL BENEFITS THROUGH THE SERIES OF AGREEMENTS. SPEECH WAS ALSO CLEARLY DESIGNED TO COUNTER DOMESTIC CRITICISM OF QUADRILATERAL OIL DEAL AND VISIT TO USSR WITHOUT BALANCING VISIT TO WASHINGTON. MOST OF THE SPEECH WAS CONFIDENT, RELAXED EXCEPT WHEN SPEAKING OF THE QUADRILATERAL OIL AGREEMENT, VISIT TO USSR AND HIS FAILURE TO VISIT PRESIDENT FORD. END SUMMARY.

2. VENEZUELA'S NEW IMAGE - PEREZ STRESSED THAT AS THE REPRESENTATIVE OF THE NEW VENEZUELA, CONFIDENT BECAUSE IT IS NOW ARMED WITH THE NEGOTIATING TOOL OF OPEC AND THE IDEOLOGY OF THE NIEO, HE HAD ACTED AS SPOKESMAN FOR LATIN AMERICA AND THIRD WORLD IN EUROPE, WHICH UP TO NOW HAD LITTLE KNOWLEDGE OF OR INTEREST IN VENEZUELA. AT THE UNGA, AND ALSO THROUGH HIS CONTACTS WITH HIS SOCIAL DEMOCRATIC COLLEAGUES IN GENEVA, THE SAME MESSAGE OF THE NEW VENEZUELA WAS WELL-RECEIVED. IN ADDITION, THE TRIP AFFORDED HIM THE OPPORTUNITY TO DISPLAY FOR WORLD LEADERS THE FULL PANOPLY OF VENEZUELA'S FOREIGN POLICY INCLUDING COMMITMENT TO DISARMAMENT, EQUITABLE LOS AGREEMENT, RESPECT FOR HUMAN RIGHTS, AND DEMOCRACY AS WELL AS NIEO.

3. ECONOMIC BENEFITS - PEREZ CITED THE NUMEROUS TRADE AND COMMERCIAL CONTRACTS AND AGREEMENTS THE GOV SIGNED WHICH WILL ASSIST VENEZUELA ECONOMICALLY, RANGING FROM HIS TALKS WITH BRITISH STEEL THROUGH THE POSSIBILITY OF BRINGING IN QUALIFIED PORTUGUESE IMMIGRANTS, TO THE SUGAR AGREEMENT WITH THE DOMINICANS.

4. THE SOVIET DISCUSSIONS - MAN TO MAN. PEREZ DEVOTED MORE OF HIS SPEECH TO THE USSR THAN TO ANY OTHER TOPIC. HERE, CONTRARY TO MUCH OF THE CONFIDENTIAL

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SPEECH, HE WAS DEFENSIVE. HE JUSTIFIED HIS TRIP TO MOSCOW BECAUSE OF VENEZUELA'S NEW FOUND VOCATION AS A SPOKEMAN FOR THE DISINHERITED OF THE THIRD WORLD, BECAUSE SOVIETS HAVE TECHNOLOGY OF USE TO VENEZUELA, AND BECAUSE USSR IS TOO BIG AND IMPORTANT TO BE IGNORED. VENEZUELA SHOULD HAVE CONTACTS WITH ALL PEOPLES, REGARDLESS OF IDEOLOGICAL DIFFERENCES, AND PARTICULARLY WITH ONE OF THE TWO

WORLD SUPER-POWERS. HE SAID CANDIDLY THAT TALKS
THERE WHILE ALWAYS COURTEOUS, WERE HEATED AT TIMES,
AND THAT HE AND THE SOVIETS DID NOT AGREE ON A
SERIES OF IMPORTANT ISSUES, INCLUDING DISARMAMENT,
LOS, AND ASSISTANCE TO THE LDCS. SOVIETS
NOW UNDERSTAND VENEZUELA'S POSITION AND THIS WAS TO THE GOOD.

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5. THE QUADRILATERAL OIL DEAL. PEREZ EXPLAINED
IN SOME DETAIL THAT THE OIL DEAL (VENEZUELA, CUBA,
USSR, WESTERN EUROPE) WILL SERVE VENEZUELA'S INTERESTS.
FIRST, IT WILL HELP DIVERSIFY ("END DEPENDENCE")

VENEZUELA'S MARKETS (ALTHOUGH HERE HE CAREFULLY ADDED PARENTHETICALLY THAT VENEZUELA WILL, OF COURSE, HONOR ALL ITS PRESENT COMMITMENTS TO OTHER BUYERS.) SECOND, IT WILL EARN VENEZUELA UP TO \$1.20 MORE PER BARREL ON SOVIET OIL SHIPPED TO VENEZUELA'S EUROPEAN CUSTOMERS. THIRD, IT WILL
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REOPEN THE "TRADITIONAL" CUBAN MARKET. HE ARGUED SIMPLISTICALLY THAT OIL SHIPPED FROM USSR WOULD BE "VENEZUELAN" AND THAT VENEZUELA WOULD BE PAID FOR IT. HE THEN FUDGED COROLLARY THAT OIL SHIPPED FROM VENEZUELA TO CUBA WOULD BE SOVIET AND CUBANS WOULD PRESUMABLY PAY SOVIETS FOR IT.

6. CUBA - STRESSING THAT WHILE VENEZUELA HAS NOTHING IN COMMON WITH CUBA IDEOLOGICALLY, HE DEFENDED OIL SHIPMENTS TO CUBA BY STATING THAT BOTH CUBA AND VENEZUELA ARE CARIBBEAN NATIONS AND VENEZUELAN FOREIGN POLICY PUSHES ECONOMIC INTEGRATION.

7. IBERIA - BOTH SPAIN AND PORTUGAL SHARE LATIN HERITAGE WITH VENEZUELA. THIS CALLS FOR A STRENGTHENED TIES BETWEEN THE IBERIAN PENINSULA AND LATIN AMERICA. HE ALSO PRAISED BOTH IBERIAN COUNTRIES' EFFORTS TO ESTABLISH DEMOCRACY AND, SUGGESTED VENEZUELA'S EXAMPLE SUPPORTED THOSE EFFORTS.

8. DOMINICAN REPUBLIC. AS A FITTING SYMBOL OF VENEZUELA LARGESSE, PEREZ CHOSE THE DEOMINICAN REPUBLIC. HE CITED NOT ONLY THE \$60 MILLION LOAN BUT ALSO THE SUGAR AGREEMENT HE SIGNED WITH PRESIDENT BALAGUER AS EXAMPLES OF VENEZUELA'S GENEROSITY AND INTEREST IN ASSISTING ITS CLOSE CARIBBEAN NEIGHBORS.

9. THE U.S. - PEREZ' EXPOSITION ON WHY HE CHOSE NOT TO VISIT PRESIDENT FORD WAS, TO BE POLITE, JEJUNE. HE FIRST EXPLAINED, IN GREAT DETAIL, THE LEGAL STATUS OF THE UN AT NEW YORK SO THAT VISITS TO NEW YORK DO NOT REQUIRE A CALL IN WASHINGTON. HE THEN SAID HE HAD MET WITH SENIOR US OFFICIALS IN NEW YORK. HE EXPLAINED THAT IN PAST, TRAVELLING VENEZUELAN PRESIDENTS ALWAYS INCLUDED WASHINGTON. HE THEN SUGGESTED THAT TO BEGIN A WORLD TRIP IN WASHINGTON WOULD IMPLY THAT VENEZUELA WAS ASKING WASHINGTON FOR PERMISSION TO TRAVEL OUTSIDE HEMISPHERE. POINTING OUT HE HAD AN INVITATION TO VISIT FROM PRESIDENT FORD, HE HAD DECIDED AGAINST
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IT DURING THIS TRIP BECAUSE IT WOULD NOT BE USEFUL FOR VENEZUELA TO VISIT US WHILE ITS GOVERNMENT IS IN A PERIOD OF TRANSITION. HE SAID HE HAD HAD DEALINGS WITH PRESIDENT FORD AND EXCHANGED CORRESPONDENCE WITH HIM. HE ALSO REVEALED THAT WHEN HE WAS IN NEW YORK HE REPLIED TO THE LAST LETTER HE HAD RECEIVED FROM PRESIDENT FORD REGARDING PETROLEUM ISSUES. FINALLY, HE SAID HE WILL GO TO WASHINGTON AFTER THE NEW ADMINISTRATION IS IN POWER ON A DATE CONVENIENT TO BOTH PARTIES.

10. COMMENT: PEREZ SPOKE FROM NOTES, OCCASIONALLY PAUSING TO RECALL WHAT COUNTRY HE WAS TALKING ABOUT. HOWEVER, HIS INFORMAL STYLE SERVED TO CONVINCE HIS AUDIENCE THAT HE WAS SPEAKING STRAIGHT FROM THE SHOULDER. WE BELIEVE HIS SPEECH APPEALED TO MANY VENEZUELANES WHO WERE UNDOUBTEDLY PROUD THAT THEIR PRESIDENT HAS SPOKEN UP TO THE ESTABLISHED NATIONS OF THE WORLD. WE HAVE HEARD HIS TRIP PRAISED BY ARCH-CONSERVATIVES ON THE RIGHT WHO WERE PLEASED THAT "HE TOLD BREZHNEV OFF", TO LEFTISTS WHO ARE CONTENT THAT HE CARRIED THE THIRD WORLD BANNER TO NEW YORK AND WESTERN EUROPE. SUBSTANTIVELY, ON THE OIL PRICE ISSUE, HE BROUGHT UP ONCE AGAIN THE SUGGESTION THAT THE "OPEC SPECIAL FUND" TAKE SPECIAL MEASURES TO ASSIST THE OIL-LESS LDCS, A THEME HE DROPPED DURING THE LATTER PART OF HIS TRIP. HE SPENT LITTLE TIME JUSTIFYING OPEC SINCE HIS HOME AUDIENCE IS ALREADY AMONG THE CONVINCED, NOR DID HE DIRECTLY MENTION THE OIL PRICE ISSUE OR TIE IT TO THE CIEC. TWO THEMES HE STRESSED AT THE UN (PANAMA) AND IN WESTERN EUROPE (MILITARY DICTATORSHIPS) WERE NOT MENTIONED AT ALL.

11. REACTING SHARPLY TO COPEI CRITICISM OF HIS VISIT TO THE USSR WITHOUT VISITING WASHINGTON, AND OF THE CUBAN OIL DEAL, HIS PRESENTATION ON THOSE POINTS WAS CLEARLY DEFENSIVE AND DESIGNED TO BOLSTER SUPPORT FOR THOSE INITIATIVES WITHIN HIS PARTY AND THE CONGRESS. END COMMENT.

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Message Attributes

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